



**Why this investigation?** We received multiple Hotline complaints related to Capital School District's Building and Grounds department. Allegations included: violations of union contract overtime provisions and work requirements, inappropriate purchases, misuse of fleet vehicles, and misuse of bid authority.

**Capital School District should strengthen internal controls to ensure the school district not only follows required contracts, licenses, and certifications, but also prevents any potential misuse of assets. Findings include:**

Violations of Overtime Provisions	Purchases	Misuse of Fleet Vehicle	Misuse of Bid Authority
<p>Management is not complying with OT provisions of union contract</p> <p>HVAC services performed without the appropriate State of DE license and EPA certification</p>	<p>21 Unauthorized credit agreements with vendors</p> <p>Equipment purchased a year ahead of anticipated need</p> <p>Unauthorized petty cash account maintained at an employee's residence</p>	<p>District was unable to monitor vehicle use:</p> <p>Most vehicles do not have GPS as required</p> <p>No key inventory for Fleet vehicles</p> <p>Vehicle listing was incomplete</p>	<p>Purchases were split into multiple transactions for similar services</p> <p>Management applied the larger public works threshold for services which were not public works</p>

State Auditor Recommendations:

- Eligible maintenance employees should be given an opportunity to work paid overtime.
- Develop procedures to assess the need for specific certifications and license requirements.
- Develop procedures and corresponding internal controls to ensure that all credit arrangements registered in the District's name have been approved by the State of Delaware Secretary of Finance.
- Acquire new equipment when there is a specific need to ensure purchases are in accordance with the approved budget and to secure the latest selling price of the item.
- Develop a comprehensive and complete listing of equipment so that management can track sales and disposals.
- Develop procedures and corresponding internal controls to ensure all petty cash accounts have been authorized and all transactions have been properly recorded.
- Develop policies and corresponding internal controls controlling access to vehicles and the key storage box.
- Implement procedures that will adhere to the State's GPS requirements for fleet vehicles to ensure all vehicles can be monitored for District purposes.
- Develop a comprehensive vehicle listing so that management can track all of these significant assets.
- Assess whether the same or similar services performed by the same vendor should be aggregated to ensure compliance with State and District purchase order requirements.
- Develop guidelines to ensure vendor services are subject to the proper bidding thresholds for either nonprofessional services and materials or public works.

**The Capital School District Maintenance Division Investigation can be found on our website: [click here](#).**

The complete report can be found on our website: [auditor.delaware.gov](http://auditor.delaware.gov)

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